State of Idaho

DEPARTMENT OF INSURANCE

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NEWS RELEASE

FOR IMMEDIATE RELEASE June 3, 2014

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BASIC HOMEOWNERS INSURANCE DOES NOT COVER FLOODS OR EARTHQUAKES

BOISE ID (June 3, 2014) – Flood waters and earthquakes can cause tens of thousands of dollars in damage. Basic homeowners insurance does not cover these natural disasters, so the Idaho Department of Insurance is encouraging homeowners to review their insurance policies and evaluate their need for flood and earthquake coverage.

According to the National Flood Insurance Program (NFIP), all 50 states have experienced some type of flooding in the past five years. Flood insurance is available from the NFIP through Idaho licensed insurance agents.

The latest United States Geological Survey's National Seismic Hazard Map shows that all 50 states have some risk of earthquake damage.

"Idahoans should be aware that flood insurance does not go into effect immediately upon purchase, and earthquake insurance will not cover damage that has already happened," says Department Director Bill Deal. "Some policies have a 30-day waiting period. So plan accordingly if you need to purchase coverage."

A standard flood insurance policy pays for direct physical damage to insured property but not contents; covers structural damage including furnace, water heater, air conditioner and flooring; and debris clean-up. Coverage for basements and crawlspaces is limited. Consumers should talk to their agents for complete details on coverage and help in selecting the right policy.

Earthquake insurance can be purchased as a separate policy or as an endorsement to an existing homeowners policy. Earthquake insurance covers repairs to the home and personal property from earthquake damage, debris removal and extra living expenses incurred while the home is being

rebuilt or repaired. A licensed insurance agent can help consumers find the type and amount of coverage that fits their needs.

Helpful links for consumers include a <u>flood coverage</u> fact sheet on the Department's website; the NFIP website, <u>www.floodsmart.gov</u>; NAIC <u>Consumer's Guide to Home Insurance</u>; disaster preparedness tips at the NAIC InsureU website,

http://www.insureuonline.org/disaster_preparedness.htm; and home inventory information on the Department and NAIC websites.

The Department's Consumer Affairs Officers are experienced insurance professionals and can help Idahoans with these and other insurance topics. Consumers are encouraged to contact a Consumer Affairs Officer by calling 334-4250 in the Boise area, or 800-721-3272 toll-free statewide, or by visiting the website, www.doi.idaho.gov.

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About the Department of Insurance

The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. For more information, visit www.doi.idaho.gov.